

### Regulating Cable TV Rates

The FCC's authority to regulate the rate you pay for cable programming service ended with the Telecommunications Act of 1996. Now your cable company determines the rate you pay for cable programming services. The FCC does not have the authority to review or modify this rate, so if you have questions, you should direct them to your cable company.

#### Who Regulates Cable TV Rates?

Your **local franchising authority (LFA)**, which is the local city, county or other governmental organization authorized by your state to regulate cable television service, still retains the authority to **regulate the rates** for the **basic services tier**. The basic services tier is the tier of programs that contains local broadcast, public, educational and government channels. However, if the FCC has found that "effective competition", as that term is defined by law, exists in your community, the LFA may not regulate the rates for even the basic services tier. In addition, the rates of certain small cable companies are not regulated.

The LFA is charged with enforcing the FCC regulations that determine if a cable operator's basic services tier rates are reasonable. To determine the accuracy and reasonableness of rates, the cable operator files rate justification forms that are reviewed by the LFA.

The rates for **any tier of service other than the basic services tier**, and for any pay-per-channel programming (for example,

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#### Who Regulates Cable TV Rates (cont'd)

a premium movie channel) and pay-per-program services (for example, pay-per-view sports events), **are not regulated**. Your cable company is free to charge an unregulated rate for these services. However, in general, your cable company may not require you to purchase any additional services other than the basic services tier in order to have access to pay-per-view events or premium channels offered on an "a la carte" or individual basis. On the other hand, there is no law that requires cable companies to offer channels or programs on an "*a la carte*" basis.

#### Other LFA Regulated Areas

Your LFA is **also** responsible for regulating:

- **customer service**, for instance complaints bills, a cable system's response to inquiries signal quality, and a cable system's response service requests; and
- **franchise fees**, which the cable company pays the local franchising authority for the right to offer cable service.

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## Other LFA Areas (cont'd)

Contact your LFA with complaints or question about customer service, rates, or franchise fees.

Before regulating basic cable rates, your local franchising authority must be certified to do so by the FCC. The franchising authority must prove:

- that it has the legal authority and the personnel necessary to regulate rates;
- that it will adopt rules consistent with FCC rules governing the basic service tier; and
- that it will adopt procedural rules providing for notice and comment in rate regulation proceedings.

The franchise authority's certification becomes effective 30 days after it is filed with FCC, unless it is denied. The franchising authority must then adopt the necessary rate regulation rules within 120 days of certification.

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## For More Information

You can purchase copies of the FCC's decisions and specific cable rate regulations by calling Qualex International at (202) 863-2893 and asking for cable rate regulations. You must specify whether you want information regarding rates or other areas.

To purchase copies of the 1992 Cable Act, the entire Communications Act, or FCC rules and regulations, call the Government Printing Office (GPO) at (202) 512-1800. You may also be able to contact a GPO in a major city close to you.

The FCC's cable television rules and regulations are in Title 47 of the Code of Federal Regulations, Part 76. You may also send for further information to:

Federal Communications Commission  
Media Bureau  
445 12th Street, SW  
Washington, D.C. 20554

General inquiries may be directed to the FCC at:  
1-888-CALL-FCC (1-888-225-5322) voice or  
1-888-TELL-FCC (1-888-832-2322) TTY.

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